

## Message Text

CONFIDENTIAL

PAGE 01 STATE 133708  
ORIGIN EA-09

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03  
INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03  
SP-02 LAB-04 EPG-02 SIL-01 OMB-01 H-01 /054 R

DRAFTED BY EA/EP:RIMUS AND TREAS:TBURKE:SMCP  
APPROVED BY EB/IFD/ODF:JABWINDER

TREAS:ANACHMANOFF

-----100232Z 011105 /15

R 092106Z JUN 77  
FM SECSTATE WASHDC  
TO AMEMBASSY JAKARTA

C O N F I D E N T I A L STATE 133708

E.O. 11652; GDS

TAGS: EFIN, EAID, IBRD, ID

SUBJECT: IBRD LOAN FOR INDONESIA FOR SMALLHOLDERS NUCLEUS  
ESTATES I

REF: A) STATE 85863, B) JAKARTA 5597

1. AT THE PRESENT TIME THE IBRD LOAN FOR SMALLHOLDERS  
NUCLEUS ESTATES I IS SCHEDULED FOR BOARD CONSIDERATION  
ON JUNE 23. (FYI: THIS LOAN WAS RECENTLY DELAYED UNTIL  
JUNE 23 AT OUR REQUEST.)

2. AS EMBASSY IS AWARE, THE CONGRESS IS SENSITIVE TO  
LOANS FOR PALM OIL BY THE IFIS, PARTICULARLY ONES TO  
MAJOR EXPORTERS LIKE INDONESIA. THE MATHIS-MOORE  
AMENDMENT IN THE HOUSE-APPROVED AUTHORIZING LEGISLATION  
FOR EXAMPLE WOULD REQUIRE THE U.S. EXECUTIVE DIRECTOR  
TO OPPOSE LOANS FOR PALM OIL, ALTHOUGH A LESS STRINGENT  
AMENDMENT IS ALSO BEING PROPOSED ALLOWING BROADER  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 133708

DISCRETION. HENCE, BOARD APPROVAL AT THIS TIME COULD  
EASILY HAVE ADVERSE EFFECTS FOR THE IFIS. THEREFORE, IT  
WOULD BE IN GOI AS WELL AS U.S. INTEREST IF THIS LOAN  
COULD BE POSTPONED FOR A WHILE UNTIL SITUATION IS  
CLARIFIED. IT IS IN NEITHER OF OUR INTERESTS TO FORCE AN

EARLY DECISION.

3. EMBASSY IS THEREFORE REQUESTED TO APPROACH GOI AND, DRAWING ON ABOVE, URGE THEM TO POSTPONE THEIR FORMAL APPLICATION FOR THIS LOAN FOR AT LEAST A MONTH BUT POSSIBLY UNTIL THE EARLY FALL. BY THAT TIME THE LEGISLATIVE POSITION SHOULD BE CLARIFIED. IF THE GOI IS AGREEABLE TO SUCH A DELAY, YOU MAY INFORM THEM THE U.S. WILL SUPPORT THE LOAN WHEN IT COMES BEFORE THE BANK FOR APPROVAL ASSUMING, OF COURSE, IT MEETS NORMAL IBRD LOAN CRITERIA. WE REALIZE POSTPONEMENT MAY POSE SOME PROBLEMS FOR THE GOI; CONSEQUENTLY, YOU MAY INFORM THEM WE WOULD BE PREPARED TO SUPPORT AN INDONESIAN INITIATIVE TO HAVE THE IBRD MOVE UP CONSIDERATION OF AN ALTERNATE LOAN FOR INDONESIA THIS FISCAL YEAR. IBRD CONSIDERATION OF PALM OIL PROJECT COULD OCCUR SHORTLY SO IT IS ESSENTIAL THAT THE GOI APPROACH THE BANK ON AN URGENT BASIS.

4. WE ARE NOTIFYING IBRD MANAGEMENT OF APPROACH WE ARE MAKING TO GOI. VANCE

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** POLICIES, OILS, LOANS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 09-Jun-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977STATE133708  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** RIMUS AND TREAS:TBURKE:SMCP  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770206-1170  
**Format:** TEL  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1977/newtext/t19770672/aaaacclf.tel  
**Line Count:** 81  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** cc17ee7f-c288-dd11-92da-001cc4696bcc  
**Office:** ORIGIN EA  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 STATE 85863, 77 JAKARTA 5597  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 11-Feb-2005 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2210304  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** IBRD LOAN FOR INDONESIA FOR SMALLHOLDERS NUCLEUS ESTATES I  
**TAGS:** EFIN, EAID, ID, IBRD  
**To:** JAKARTA  
**Type:** TE  
**vdkvgwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/cc17ee7f-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009